

LOS ANGELES COUNTY ECONOMIC RECOVERY WORK PLAN

Los Angeles County

The nation's most populous county with roughly 10.4 million residents, Los Angeles is the entertainment¹, manufacturing² and international trade³ capital of America. Los Angeles County ranks among the world's largest economies with \$491 billion in annual output driven by diverse competencies ranging from creative design and technological innovation to specialized and higher education to health services and biomedical. As measured by GDP, Los Angeles County's economy is larger than Hong Kong or Taiwan.

With such a large, diverse and global economy, it is important for LA County stakeholders to not only come together around economic recovery strategies that maximize the effect of the federal stimulus and help expedite economic recovery, but also coalesce around a plan that sustains long-term economic and job growth and ensures our region's quality of life. That's why even before the current economic crisis and the development of the Economic Recovery Work Plan described hereunder, the Los Angeles County Economic Development Corporation (LAEDC) took the lead on developing the first ever strategic plan for economic development for Los Angeles County.

With input from stakeholders from across LA County, the LAEDC identified five core aspirational goals for the plan: Business-friendly Environment; Attractive Quality of Life; Smart Land Use; 21st Century Infrastructure; and Educated Workforce. Once completed, the LAEDC will identify champions to take ownership of and implement the strategies contained in the plan. Getting regional stakeholders to come together, invest and behave according to a shared, collaborative, consensus vision for LA County's economic development activities will help ensure that federal stimulus and other limited resources are maximized long term, that substantially more and better jobs are created in the future, and that economic growth continues well after the stimulus dollars are gone and is sustained long into the 21st Century. The timeliness of developing a long term plan for economic development and complementing it with the more short-term Economic Recovery Work Plan is more important now than ever.

Fortunately, the voters of Los Angeles County also recognized before the current economic crisis that the County's transportation and other critical infrastructure were woefully under-funded, and so approved a series of ballot Measures to help address this crucial problem. Similarly, public officials countywide have also taken the lead on implementing a number of vital renovation, construction and modernization projects at some of LA County's most critical assets, such as our ports and airports. All these initiatives can – and should – be coordinated with the state's economic recovery strategies and leveraged with stimulus and other resources.

Los Angeles County: Investing Billions of Dollars to Build a 21st Century Infrastructure

Passage of Measure R: Funding LA County Transportation Projects.

Los Angeles County's transportation needs are serviced by an extensive freeway system – including two major interstates that cross in Los Angeles County: the East/West I-10 and North/South I-5, supported by over 1,188 freeway route miles, as well as by subway and several light-rail systems that serve the downtown area through North Hollywood and the San Fernando Valley and south to Long Beach. There are three light-rail lines in service in LA County today, with a fourth under construction. In addition, Metrolink, a heavy rail

¹ The world's leading entertainment studios, motion picture and television production support about 254,300 jobs.

² The County's manufacturing sector supports a diverse base of nearly 450,000 workers producing an array of products ranging from space satellites to aircraft, apparel, furniture, biomedical devices and food products.

³ The combined ports of Los Angeles and Long Beach, together with Port Hueneme and Los Angeles International Airport, are the number one customs district in the nation, handling two-way trade valued at \$394 billion dollars.

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commuter service with 220 miles of rail in LA County alone, connects the County to the rest of Southern California.

In November 2008, Los Angeles County voters approved Measure R, a proposed increase in the Los Angeles County sales tax rate of 0.5% to 8.75%, which will go into effect July 1, 2009 to fund transportation improvement projects across the county. Committing a projected \$40 billion to traffic relief and transportation upgrades throughout the county over the next 30 years, Measure R funds can be leveraged to help fund dozens of critical transit (e.g., new rail, bus, metro rail and Metrolink projects), highway (e.g., carpool lanes, grade separations, goods movement, highways and sound walls), operations (e.g., rail and bus maintenance and operations) and local municipal (e.g., street resurfacing, pothole repair) projects as well as accelerate those already in the pipeline. It is estimated that Measure R funded projects will create 210,000 new full-time one-year construction jobs with \$8.7 billion in total earnings, and generate an estimated \$32.1 billion in total economic output over the 30-year period.

Upgrading and Greening our Ports.

Home to the nation's largest port complex, the Los Angeles and Long Beach harbors represent the nation's gateway to global trade, handling about 40 percent of all waterborne container traffic that comes into the United States and more than 70 percent of all container traffic on the west coast. Together, the County's twin ports rank fifth in the world behind Singapore, Hong Kong, Shanghai, and Shenzhen. In 2008, container throughput was measured at almost 14.3 million 20-foot equivalent units (TEUs), and by 2025, it is expected to top 32 million TEUs. In short, keeping Los Angeles County's twin ports competitive is vital to the economic health of not just Los Angeles County and California, but the entire nation.

Leveraging port, private and Prop 1B dollars, the County's twin ports of Los Angeles and Long Beach are already fully engaged in a multibillion dollar effort to upgrade and green port infrastructure and fund bridge, railway and road improvements used in port-related goods movement, including replacement of the Gerald Desmond and Heim bridges, freeway connector improvements, and port-area rail enhancements, which reduce the need for local truck trips (and resultant GHG emissions). It is estimated that port infrastructure and goods movement related projects at the Los Angeles County ports will create close to 1 million new full-time equivalent jobs over 20 years (many of them immediate construction jobs) for working families in communities across the regions of Southern California.

Examples of major projects at the Ports of Los Angeles and Long Beach that we encourage state and local governments to use stimulus and/or other resources and strategies to expedite delivery include (See Appendix I):

- Gerald Desmond Bridge Replacement Project to demolish the old seismically-questionable, deteriorated, undersized bridge and replace it with a new six-lane cable-stayed bridge to ease congestion and improve safety. Fifty percent of the nation's cargo travels on this "bridge to everywhere."
- Additional and Related Desmond Bridge Improvement Projects include the reconstruction of the Terminal Island East Interchange and the I-710/Gerald Desmond Bridge Interchange.
- Schuyler Heim Bridge Replacement & SR-47 Expressway Project to replace the seismically-deficient Heim Bridge over Cerritos Channel with a fixed-span bridge as well as add a new four-lane elevated expressway (SR-47) allowing cars and trucks to move from Terminal Island directly onto Alameda Street bypassing three signalized intersections, five at-grade railroad crossings, and providing direct access to distribution/warehousing facilities in the South Bay and I-405 and SR-91, thus relieving congestion on the Harbor (I-110) and Long Beach (I-710) freeways.

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- Hobart Intermodal Terminal Truck Efficiency Improvement Project to construct truck grade separation (26th Street flyover) between Hobart Terminal and off-site lots eliminating the need for trucks to cross mainline tracks and 26th Street at-grade to reach the intermodal facility, and to install auto gate system technology to automate the processing of trucks entering/exiting the intermodal facility, which would reduce truck idling, fuel usage, wait times, safety, and security.
- West Basin Rail Access Improvements to the San Pedro Bay Ports Rail System to improve use/operations of adjacent on-dock rail yards;
- Wilmington Grade Separation Project to create vital highway grade separations of a rail line connecting to the Alameda Corridor; and
- Alternative Maritime Power (AMP) Project at the Port of LA to retrofit major terminal berths to facilitate shore-side power for docked ships.

A Commitment to Modernize Los Angeles International Airport.

Los Angeles International Airport (LAX) is the #1 airport for origin and destination in the country and the world's 13th busiest cargo airport. It is a dominant gateway to nearly every major world region, ranking first in the Asia/Pacific region, second in Canada, third in Latin America, and sixth in Transatlantic travel. As one of Southern California's most important economic engines, LAX handles 70 percent of the region's total passenger volume (nearly 62 million passengers in 2007), 95 percent of the region's international passenger traffic (17 million international passengers during 2007), and 75 percent of the region's total air cargo traffic (1.9 million tons of cargo annually with a value of over \$60 billion in 2007). By 2020, air cargo volume at LAX is expected to reach nine million tons annually while passenger volume should surpass 78 million passengers per year.

LAX is vital to the Southern California economy. The airport channels tens of billions of dollars annually into the regional economy, directly employs about 60,000 people, and indirectly supports another 350,000 jobs from economic activities related to the airport. International flights at LAX contributed about \$82.1 billion to the Southern California economy during 2006, with a single daily transoceanic flight on average contributing about \$623 million annually in regional economic output and supporting about 3,120 direct and indirect jobs.

The City of Los Angeles and Los Angeles World Airports have begun a multibillion dollar effort to modernize LAX to conveniently and safely accommodate the long-term needs of domestic and international air travel and commerce. Already work has been completed on a new south runway, construction has begun on the Tom Bradley International Terminal upgrades, and the first two contact gates capable of handling the new class of jumbo aircraft have become operational. However, there is much more that needs to be done and many more billions of dollars are needed to ensure that this vital economic asset remains competitive.

Examples of necessary infrastructure projects at LAX that we encourage local and state governments to use stimulus and/or other resources and strategies to expedite delivery include (See Appendix I):

- Central Utility Plant Project to replace the current facility (built in 1959) with a more energy efficient system that includes new chillers, electrical power upgrades, HVAC system, a cooling tower, and thermal energy storage;
- Vertical Conveyance Project to repair and replacement of 116 elevators, 116 escalators and 29 moving walkways throughout LAX that have exceeded their life expectancy;
- Existing Terminal Improvement Project including major interior and exterior improvements to existing terminals;

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- Cross-field Taxiway Project to construct a new taxiway system that supports aircraft access between the north and south runway complexes; and
- Perimeter Security Fence Project to complete the final two phases of a heavy duty K-rail/chain link security fence around the perimeter of LAX.

In addition to using stimulus and/or other resources and strategies to expedite delivery of vital renovation and improvement projects at the airport, we encourage local and state governments to use all available resources and strategies to expedite the expansion of the Metro Green Line to the LAX. In addition to connecting the airport, a vital County asset, to the regional transportation system, linking the Green Line to LAX would expand overall public usage of mass transit by adding a key destination.

LA County a Natural for Clean Technology.

The County of Los Angeles recently passed three environmental ordinances addressing low-impact development, green building and drought-tolerant landscaping. These ordinances are widely viewed as the most far reaching adopted by any local jurisdiction in the state. In addition, the County's twin ports of Long Beach and Los Angeles have begun to implement the San Pedro Ports Clean Air Action Plan (CAAP), under which more than \$1 billion will be invested by the ports, the local air district, the state, and port-related industries to cut particulate matter pollution from all port-related sources by at least 47 percent within the next five years.

With its ready supply of necessary financial and human capital, highly advanced multimodal distribution network, concentration of world leading engineering firms, world class universities (Caltech, UCLA and USC), research institutions and 112 other college campuses, and active, home-based venture capital and private equity communities, LA County presents an ideal location for green technology companies. The County also has clear comparative advantages over other regions thanks to very well-defined, organic, fixed and growing markets for clean technologies and products. For example, the nation's largest municipally-owned utility must ramp up its renewable portfolio to achieve the 33 percent mandate⁴ required by state law. In addition, the County's two ports going forward will be governed by very strict regulatory standards, as set forth under the CAAP and the Clean Truck Program.

The County's fixed assets – such as its ports and utilities – will create abundant opportunities for clean tech companies who wish to capitalize on the enormous locally-driven demand for their innovative solutions. To help drive clean technology demand, the County will implement a new AB 811⁵ program, which will make low interest loans available for residents and businesses to make energy efficiency improvements to their properties. The AB 811 program will be part of the County's grant application for federal and state economic stimulus dollars, which would provide the one-time start-up costs for the program. The AB 811 lien process will provide loan repayment and ongoing funding, which would make the County's program and its benefits permanently sustainable. The County plans to make this a collaborative effort with all 88 cities, as well as the unincorporated areas, the local utilities, the State and other involved agencies. In addition to reducing energy consumption and GHG emissions that will help the County come into compliance with AB 32's GHG emission reduction mandates, the County AB 811 program will help stimulate and grow the demand for green businesses and jobs.

⁴ Investor-owned utilities must achieve 20% by 2010 and 33% by 2020.

⁵ AB 811 authorizes cities and counties in California to designate areas within which property owners could enter into contractual assessments to finance the installation of renewable generation and energy efficiency improvements that are permanently fixed to the property owner's residential, commercial, industrial, or other real property. These financing arrangements would allow property owners to finance renewable generation and energy efficiency improvements through low-interest loans that would be repaid as an item on the property owner's property tax bill.

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Also as part of the County's economic stimulus grant application, the County Board of Supervisors has directed staff to develop a proposal for Environmental Service Centers. These Centers would be a "one stop green economy shop," offering comprehensive educational tools, technical resources and financial incentives to support and promote the County's green programs, as well as linking individuals to "green" vocational opportunities and energy industry services. County programs such as the AB 811 Program, LA County Solar Map, the Green Building Program, the Low Impact Development Program, Water Conservation and Drought Tolerant Program, the Recycling and Waste Diversion Program, the voluntary Green Business and Hotel Certification Program and public transit options are all examples of programs and services that will be showcased and made available through the Environmental Service Centers. The Environmental Service Centers program will include geographically distributed "brick and mortar" sites co-located at existing facilities, a County website, and booths at County-sponsored fairs and other community events. The County plans to partner with local utilities, other local jurisdictions, educational institutions, and workforce training centers.

Like the County, the City of Los Angeles has made an institutional commitment – and taken unprecedented steps – to foster clean tech development. The city has already committed to making a large investment in a new real estate development to create a clean technology corridor that will serve as a center for clean tech research and development and industrial manufacturing businesses devoted to environmentally sustainable technologies, processes and products. This clean tech effort has generated broad support, as evidenced by investments that include: the Port of Los Angeles' \$15 million technology advancement program targeted at investing in clean technology related to improving air quality and meeting clean energy goals; and the \$46 million set aside by the Los Angeles City Employees' Retirement System funds for clean tech investments over a ten-year period.

On April 15, 2009, a historic Memorandum of Understanding (the "Clean Tech LA MOU") was signed between the City of Los Angeles, Caltech, UCLA, USC, the LA Area Chamber of Commerce, the Los Angeles Business Council and the LAEDC to collaborate in the following four areas to help position the City of Los Angeles as a global leader in clean technology:

1. Research, development, deployment and commercialization of technologies;
2. Joint advocacy on issues that will attract federal, state and private clean technology funds and related resources to Los Angeles;
3. The establishment of a communications strategy and educational campaign that highlights Los Angeles as the global clean technology capital to attract, grow and retain companies that will drive the green economy; and
4. Developing key research and analysis needed to build a strong, sustainable strategy to position Los Angeles to capture new investments, secure funding, and generate jobs produced by the green economy.

Approval of Measure J: Modernizing and Greening LA Community Colleges & Training Students.

The LA Community College District (LACCD) is one of the largest community college districts in the country, educating more than 200,000 students each year on nine community college campuses.⁶ LACCD is considered a leader in green development and renewable energy. It is on course to continue its ambitious plan to improve all its facilities throughout the district with the resounding (70 percent) voter approval last November of Measure J, a \$3.5 billion bond measure that will generate funds to modernize, expand, and create green facilities and the creation of a green industry curriculum. Measure J funds will build on the

⁶ Los Angeles City College, East Los Angeles College, Los Angeles Harbor College, Los Angeles Mission College, Pierce College, Los Angeles Southwest College, Los Angeles Trade-Technical College, Los Angeles Valley College, and West Los Angeles College

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LACCD's current bond construction program (funded by earlier bond measures), and can be leveraged to help the District move forward with its plan to develop one of the largest public sector sustainable building efforts in the United States.

It is expected that once the construction program is completed, the entire LA Community College District will be climate neutral (eliminate more pollution than it causes) and close to energy self-sufficient (virtually eliminate its dependence on fossil fuel generated power) by generating its own power using solar, wind, fuel cell, micro turbine and other innovative sources. In addition, all of these state-of-the-art power-generating and distribution facilities (solar production incubators, energy storage laboratories, computer-based modeling) will serve as learning resources for LACCD students in careers ranging from sustainable technologies⁷ and critical infrastructure⁸ to public safety⁹ and health professions¹⁰, including nursing and medical technology. It is estimated that Measure J funded projects would create more than 70,000 jobs (many short-term construction jobs) in the Los Angeles area.

Approval of Measure Q: Creating Smaller, Modern and Greener Schools.

With more than 694,000 students at over 1,100 schools, centers and independent charter schools throughout the City of Los Angeles as well as serving many other cities and several unincorporated areas of Los Angeles County, Los Angeles Unified School District (LAUSD) is the second largest school district in the nation (behind only New York City). LAUSD has a total district budget of almost \$14 billion, and employs over 45,000 teachers and another 38,000 support and administrative personnel.

LAUSD is currently undergoing a \$20.3 billion voter-approved construction and modernization program, the nation's largest, to build new schools and improve existing facilities to reduce overcrowding throughout the district. Since 1997, when the first bond of four bond measures totaling \$13 billion was approved, LAUSD's New School and Construction Program has delivered more than 75,000 classroom seats and 67 new schools with another 12 schools currently under construction.

In November 2008, voters approved Measure Q, a \$7 billion school repair bond measure (on top of the \$13 billion in previously approved and already programmed bond funds) to create smaller, less-crowded schools and help finance charter schools. Measure Q includes \$1.6 billion for the creation of small, more personalized schools, \$2.68 billion for school safety measures, \$500 million for environmental improvements, and \$450 million for charter school construction.

Measure Q will make a significant investment in the more than 800 existing schools that are on average more than 50 years old. Among the improvements, Measure Q will renovate and replace school buildings to ensure that current earthquake safety codes are met, build and upgrade early childhood education and adult and career education facilities, and create greener, healthier learning environments for students by replacing outdated polluting buses, improving air quality in schools near high traffic areas, and increasing the use of renewable energy.

High Speed Rail: Linking LA County to the rest of California

In November 2008, voters across the state approved a high-speed train bond that would create an 800-mile link of high speed trains connecting the metropolitan areas of San Diego, Los Angeles, San Francisco and Sacramento. In the Southern California region, the City of Los Angeles (specifically, Los Angeles Union

⁷ Clean energy technicians, operating engineers for energy efficient buildings, and production technologies for Green products

⁸ Water supply, purification and management, electrical and utility workers, construction and maintenance

⁹ Fire and police, waste and hazardous substance control and disposal

¹⁰ Allied health/nursing

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Station) will be connected to Palmdale and Ontario airports as well as to several stations in Orange, Riverside, San Bernardino and San Diego counties. In LA County, a major priority will be constructing suitable grade separations so that railway crossings do not disrupt traffic flow on other transit routes, especially along the Los Angeles to Anaheim high-speed corridor. Additional investments must be made to build capacity and increase appropriate safety measures (e.g., positive train control) in order to conveniently and safely accommodate increased ridership and develop an effective feeder system into this new high-speed system.

The California High Speed Rail Authority and Caltrans must work cooperatively with both private sector interests and regional transportation agencies to develop a unified strategic plan and program for accessing new federal high-speed rail funds authorized in the American Recovery and Reinvestment Act of 2009 (ARRA). Recently, the U.S. Department of Transportation released a new high-speed rail strategic plan and framework, which appears to favor California and the technical and planning work completed to date. With focus of the new federal high-speed plan on project readiness and operational effectiveness, Southern California, particularly the Los Angeles-Anaheim corridor should be well-positioned to compete for the new federal funds.

Senate Bill 4 (SBX2 4): New and Expanded Public Private Partnership (P3) Authority

Public Private Partnerships (P3s) are an established strategic growth measure to maximize public benefit with faster project delivery times, reduced operating costs, and improved customer satisfaction by harnessing the capital, technical expertise, efficiencies, and entrepreneurial spirit of the private sector and leveraging these advantages with the environmental, quality of life, and job creation goals of the public sector. With the adoption of Senate Bill 4 (SBX2 4), passed by the California legislature near the end of the 2009-2010 session and signed into law by Governor Schwarzenegger on February 20, 2009, the California transportation department and regional transportation agencies are allowed to enter into an unlimited number of transportation P3s between now and January 1, 2017.

In Los Angeles County, Los Angeles Metro recently engaged an interdisciplinary consultant team charged with developing a P3 framework and action plan for Los Angeles County. One of the priority tasks for the consultant team will be to examine the recently enacted multi-billion Measure R sales tax transportation infrastructure investment plan and program (see above: *Passage of Measure R*) and identify P3 investment opportunities.

Examples of projects that we encourage the state and local governments to use P3s in an effort to expedite delivery include:

- Alternative Container Movement System (Multi-County): Responding to the both highway congestion and increases in truck generated diesel emissions, the San Pedro Bay Ports and the Alameda Corridor Transportation Authority (ACTA) are developing a program to implement an alternative container movement system. The Ports/ACTA are exploring a range of alternatives focused on the introduction of new clean technology to move cargo containers from the dock area to off-port terminals. For a number of months, the Ports have been working with a consultant team on assessing new “green” technology solutions. It is anticipated that the joint agency effort will contain a P3 component culminating with the release of a call for a proposal from private sector teams. The next step in the process is release of a Request for Qualifications (RFQ) by the Port of Long Beach. A subsequent Request for Proposals (RFP) is expected to be released later in the summer of 2009.

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- I-710 (South/Los Angeles County): The current I-710 (south) serves as the major interstate highway serving the San Pedro Bay Ports. The existing I-710 facility lacks the capacity and physical condition to accommodate the projected growth in port-related container activity. To date, no major work has been completed on the I-710 since it was built over 50 years ago. Truck traffic is projected to grow from 29,000 daily trips to over 75,000 by 2025. A large number of trucks that use this corridor to travel between the San Pedro Bay Ports and rail freight yards located near I-5 to warehousing and distribution points scattered throughout the Southern California region. Near the City of Long Beach, trucks make up nearly 30 percent of the traffic stream during the day, compared with average daily truck activity of six to 13 percent on similar freeways in Los Angeles County. Additionally, the concentration of trucks and the associated diesel emissions has created a public health crisis in the South Coast Air Basin. A jointly sponsored environmental and engineering process is under preparation to generate a range of innovative development and implementation alternatives to move the I-710 project forward.
- I-710 (North/Los Angeles County): Over the past 40-years, a number of concepts have been proposed and evaluated to complete the I-710 freeway and close the 4.5-mile gap in the northern corridor. Most of the concepts have been traditional “surface” freeway alternatives through the communities of Los Angeles, South Pasadena, and Pasadena. Recently, a technical analysis was prepared to determine the feasibility of constructing a tunnel to complete I-710 between Valley and Del Mar Boulevards. The conclusion of the analysis was that advances in tunnel construction technologies indicate that the corridor can be completed using a tunnel configuration. In a previous legislative session, a bill, Senate Bill 1350, was introduced which if enacted would have authorized the establishment of a Joint Powers Authority to manage the tunnel project utilizing P3 mechanisms, including design-build and tolls.
- High Desert Corridor (Los Angeles and San Bernardino Counties): This project is a 50-mile multi-phased program which proposed to connect the Los Angeles Basin by way of SR 14 and I-5 freeways as part of the E-220 Federal High Priority Corridor, connecting Victor Valley and Antelope Valley. Local agencies in the High Desert Corridor have established a Joint Powers Authority to plan for implementation of the phased infrastructure improvements. The first phase of the High Desert Corridor is the construction of a new four-lane expressway from I-15 to the Southern California Logistics Airport (SCLA) located in the City of Victorville. The SCLA facility is projected to generate 24,000 on-site jobs and an additional 18,500 indirect and induced jobs. Currently, the only access to the SCLA (new and planned intermodal rail, air cargo and maintenance facilities) is by a local access interchange and standard arterial roadways. A grade-separated, high-speed facility would significantly improve the throughput of both commercial and passenger vehicles. Earlier this year the project was nominated as a Tier II project, by the Southern California Consensus Working Group to secure Trade Corridor Improvement Fund state bond revenues.

The Economic Recovery Work Plan for LA County

We recognize that there are a set of more urgent, immediate strategies that will be required to facilitate economic recovery as quickly as possible. The following is Los Angeles County’s strategic work plan (the “Work Plan”) for maximizing federal stimulus and other resources to support immediate economic recovery, long-term economic vitality and sustained economic and job growth in Los Angeles County. Attached to the Work Plan is an appendix (Appendix I) of projects solicited from 218 public entities in Los Angeles County.

Received from cities, school districts, community college districts, water districts and others, we believe that we have identified the vast majority of critical LA County projects. In total, we received:

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- **An aggregate of 1,048 projects;**
- **Worth an estimated billion \$38.8 billion;**

Of the total projects, **480 are deemed “shovel-ready”** or projects where funds can be obligated (and construction could theoretically commence) within 120-days of the signing of the American Recovery and Reinvestment Act (ARRA) on February 17, 2009, another **529 are one- and two-year projects** that warrant priority review and funding based on their potential positive impact on the region, and **35 are projects of greater than two years** that also warrant priority review and funding based on their economic importance.

The Work Plan is divided into five sections:

- (1) Short-term shovel-ready infrastructure projects considered for immediate funding along with opportunities to influence and/or leverage immediate job growth, environmental stewardship and long-term regional and national economic significance;
- (2) Infrastructure projects that warrant priority review and funding within two years, and strategies to expedite delivery of such projects;
- (3) Strategies to support small business growth and innovation, including innovation zones, green teams, and foreign direct investment;
- (4) Strategies to support workforce development by leveraging federal stimulus and local resources, and aligning regional workforce development programs with the needs of industries to create a countywide workforce system; and
- (5) Strategies to shore up housing and communities impacted by the mortgage and financial crises.

I. Tier One: Projects Considered for Immediate Funding

As described above, of the 1,048 total projects submitted, **480 are identified as so-called “shovel-ready” projects, worth an estimated \$17.4 billion.** (See, Appendix I).

II. Tier Two: Projects that Warrant Priority Review & Strategies to Expedite Delivery

The Economic Recovery Work Plan for Los Angeles County identifies **529 Tier Two (121- to 730-day) projects, worth an estimated \$20.7 billion,** that warrant priority review and funding based on their potential positive impact on the region.

This priority review may involve developing strategies to expedite or improve the planning and permitting process in order to elevate these projects to the requisite “shovel ready” status to be funded and constructed. While there are a variety of such strategies, we would like to suggest the following as sound, reasonable strategies for consideration based on best practices from a number of cities in Los Angeles County. We encourage our local governments as well as the state to consider these “best practices” in an effort to expedite the delivery of the most important of these projects:

1. Give these projects top priority within the designated planning department;
2. Create a Pre-Development Review for cursory review/discussion of project;
3. Create a Development Review Committee to streamline the permit process, where key members of each developmental department/agency discuss project and address issues of concern to move project through the process concurrently and expeditiously instead of consecutively (DRC members are provided copies of project plans to review and provide comments on issues of concern and meet collectively with the developer, architect, property owner, etc. to discuss plans and

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- improvements/revisions that need to be made. DRC departmental comments are noted and provided in a written document within 5 business days to developer, architect, property owner);
4. “One Bite at the Apple” permitting process in which there is one plan check for a given project within each reviewing agency. That agency must be thorough in its review because it will not get a second or third review;
 5. Relax CEQA by making certain of these projects categorically exempt from CEQA review. In addition, many projects must undergo environmental review under both state and federal (NEPA) guidelines. In such cases, the state should seek federal NEPA relief on certain critical “shovel ready”, one- and two-year projects to expedite project delivery so as not to unduly delay their stimulative effects;
 6. Consider increasing the thresholds for review by any agency. For example, if a state agency would typically review projects at a specified level, i.e., acreage, linear feet, etc., it should consider increasing that particular level so that review becomes unnecessary. To reduce costs of hiring new full-time permanent employees to handle increase in development reviews, consider hiring outside expert consultants to perform plan checks and reviews;
 7. Use new and expansive legislative P3 authority, provided for by SBX2 4 (see above), to assist the development of new and accelerate existing infrastructure projects. It is important that groundwork be established by the state to implement and operationalize this new P3 authority so that we are prepared to expedite delivery of projects once the capital markets open again. One specific step the Business, Transportation & Housing Agency can take to “jump start” the provisions of SBX2 4, is the implementation of the new Public Infrastructure Advisory Commission (PIAC). The PIAC would serve as a clearinghouse for P3-related services and information. SBX2 4 authorizes the PIAC to identify candidate P3 projects throughout California; research P3 best practices; advise Caltrans/RTAs (upon request) regarding best practices or the suitability of particular projects; and provide procurement-related services to Caltrans/RTAs.
 8. Expedited permits – must meet certain criteria; project receives priority status;
 9. Develop webpage providing opportunity to apply for certain permits online and to obtain the status of a permit on the internet 24 hours a day, 7 days a week (building, electrical, mechanical, plumbing, sewer, final map plan check, grading, right of way, soils, sanitary sewer, storm drain, street light, street road, administrative approvals, conditional use, master case, minor use, one-stop, temporary use, etc.); and
 10. Develop a permit processing flowchart with timelines, costs and next steps so the process and timeframes are understood by applicant and post on-line.

III. Tier Three: Support for Small Business and Innovation

In today’s difficult economic climate, business assistance to small businesses and innovation is more critical than ever. Recently recognized by the International Economic Development Council (IEDC) as having the best Business Retention and Expansion program in the world, the LAEDC provides a wide range of assistance to businesses located within the 4,700 square miles, 88 cities and over 100 unincorporated areas of LA County. The LAEDC’s team of economic development professionals provide confidential, free of charge information and assistance to business owners, decision makers and consultants representing both significant large and small, domestic and international businesses in all industry sectors regarding their business attraction, retention and expansion and job growth needs. Since 1996, the LAEDC has helped attract or retain over 150,000 jobs for LA County, with annual salaries exceeding \$7 billion, generating more than \$125 million a year for local governments and more for the state.

LAEDC has increased its assistance to businesses as they struggle to remain competitive, through a targeted outreach effort aimed at businesses at risk, assisting LA County communities to be more cost competitive and business friendly by applying for four available and much needed state Enterprise Zone designations and drafting a collaborative economic development strategic plan for LA County. LAEDC’s six Regional

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Managers, co-located within the regions of LA County, provide business assistance services along with key economic development partners (Southern California Edison, The Gas Company, California Manufacturing Technology Consulting, cities, Community Colleges, regional economic development organizations, and SBDC) including:

- Site selection assistance –confidential customized facility searches based on specific business needs
- Cost containment – analysis of current manufacturing and assembly configurations and electrical and gas usage, creating solutions to become more efficient and cost effective
- Economic and demographic information – important data utilized by businesses and cities in making attraction, expansion and relocation decisions
- Finance facilitation – information on multiple loan programs and resources and non-traditional financial programs
- Workforce training – information about and assistance with state, community college and customized workforce training programs
- Incentives – information about and assistance with federal, state and local incentive programs
- Permits - assistance in undoing the logjam with state and local permits to get a project moving
- Regional Business Assistance Network (RBAN) - a cooperative effort designed to make it easier for companies to do business in Los Angeles County, working with over **500** free and low-cost business assistance providers located throughout the County
- Innovative Resource Guide – an electronic guide of technology assistance service providers, educational institutions, venture capital sources and annual conferences dedicated to the support of businesses in emerging technologies in LA County

The Los Angeles County Office of Small Business (OSB) provides a rich source of information to businesses on procurement opportunities, certification, financing, and technical assistance. OSB provides links to websites, which contain information such as licenses and permits required when starting a business, upcoming events, and how to register to be a County, State and/or Federal vendor, as well as to procurement websites, not only with the 37 County departments, but also with the federal and state governments, cities and other public jurisdictions. OSB provides workshops and training for businesses on how to sell goods and services to the County, the State, the federal government and other public agencies in Southern California, as well as serving as the County Procurement Technical Assistance Center, which is funded by the United States Department of Defense to help small businesses secure contracts with prime defense contractors.

Operated by the City of Los Angeles and funded by the U.S. Department of Commerce's Minority Business Development Agency, the Los Angeles Minority Business Opportunity Center ("LA MBOC") offers free services, including matchmaking and brokerage, to growing Minority Business Enterprise (MBE) firms with annual sales of at least \$500,000 to help them achieve their business needs. The LA MBOC services the entire western United States, including all of California, Arizona, Washington, Nevada, Oregon, and Hawaii, but its primary focus remains LA County. LA MBOC has consistently met its stipulated annual (dollar value) contract and financing goals, and has increased its financing goals for 2009.

Foreign Direct Investment (FDI) Attraction Strategy

While California has been successful in attracting foreign direct investment in the past, there are indications that competition for investment into the U.S. and within the US is becoming more and more competitive. California and local government have done little in recent years to proactively compete in this growingly competitive global market. Foreign direct investment strengthens the state and regional economies by bringing new technology, capital, skills, international connections, and by creating new jobs. According to

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the LAEDC “Foreign Direct Investment in Los Angeles County Report July, 2008,” there were 4,521 Foreign-owned establishments in LA County, which represents 1.8% of all private-sector establishments. There are 136,000 direct employees of foreign-owned establishments in LA County with an additional 223,000 jobs that depend on the activities of foreign-owned and affiliated businesses in LA County. These 359,000 employees represent 9.9% of the private sector workforce or nearly one in 10 private sector employees countywide. These employees earn \$7.6 billion in annual salaries and have higher salaries than the average worker in LA County (\$58,000 vs. \$50,000).

Given the significant contribution FDI makes to California’s economy and employment levels, the Los Angeles County Economic Development Corporation and its World Trade Center Association Los Angeles-Long Beach subsidiary are committed to proactively attracting more such investment into the region. Initially the attraction strategy is targeting the 15 top country sources of FDI into L.A. County, each of which represents more than 1% of FDI in the county today. Prioritization of effort among these 15 sources will be based on each source country’s level of trade flows in and out of the L.A. area, its existing level of investment into the region, its current commitment to FDI, and the alignment of its top industry sectors with those sectors for which the L.A. market presents competitive advantages. The LAEDC and WTCA LA-LB are working closely with the local consular officials assigned to the L.A. area to facilitate their support in the attraction efforts.

L.A. County’s unique value proposition is being developed for FDI from targeted countries and a variety of solicitation efforts are being employed, including the dissemination of marketing materials and tailored messages, the conducting of international and virtual (by teleconference) trade missions, attendance and promotion at domestic and international trade shows and conferences, hosting of foreign investment delegations, etc.

In an effort to demystify the perceived complexities of doing business in California and the L.A. area, a Resource Guide is being prepared to offer to potential foreign investors advice and counsel on navigating the national, state and local regulatory policies and procedures, taxation issues, import and export procedures, and other related issues.

Opportunities to collaborate with local, regional, state, national and even international partners (public, private or non-profit) will all be explored and pursued where beneficial to the effort to increase the amount of foreign investment into the area. Perhaps initially through the retention of consultants with an international presence, but ideally eventually through our own direct hires, L.A. County (and the state of California) should establish a presence (i.e. a representative or office) in each of the countries representing the largest sources of foreign investment into our regions.

Additionally, with the significant federal, state, and local resources being committed to the greening of the ports, public transportation, alternative energy and other clean technologies, our foreign direct investment strategy will focus on utilizing and leveraging these resources to attract global investment and new technologies to our region.

IV. Tier Three: Workforce Development

Los Angeles County is the most populous county in the state and nation. Our size and diversity are assets but also complicate the county’s efforts to coordinate actions in critical areas like workforce development where, for example, the County is home to seven independent Workforce Investment Boards. Today, LA County is dedicating itself to a new era of communication and collaboration among the many disparate organizations involved in workforce development to improve the economic and educational opportunities available for all L.A. County’s citizens.

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Seek Genuine and Enthusiastic Communication and Collaboration

These efforts have led to the formation of collaborative groups such as the L.A. Workforce Systems Collaborative (LAWSC) in 2007. It was initially composed of the City of L.A.'s education, government, workforce development, labor, business and community leaders. Their mission is to develop a comprehensive economic and workforce development system in the City of Los Angeles to meet the employment and educational needs of the city's low income and underserved communities. Recognizing the urgency of the need to significantly improve the effectiveness of the area's workforce development system, the Collaborative meets monthly to plan, shape and implement joint workforce development initiatives and engage in systems building discussions to strategically align resources, maximize organizational capacities and achieve a new level of efficiency and collaboration.

In 2008, the City's effort was expanded to address more of the countywide opportunities to improve our workforce development system by including the California Employment Development Department and the LAEDC, which has established a Workforce Development Committee. The LAEDC committee is composed of 28 L.A. County community colleges and universities; numerous Workforce Investment Boards and organizations such as the L.A. Chamber of Commerce and major employers and organizations from industry sectors that drive the L.A. County economy.

The LAEDC Workforce Development Committee will examine issues, explore best practices that can be scaled-out and replicated, develop initiatives, and recommend economically-based policies that support workforce intermediary strategies to help job-seekers enter and workers advance in the mainstream economy, increase business efficiency and productivity, and boost Los Angeles County's global competitiveness. The LAEDC's Workforce Development Committee is distinctive, in that, it brings together those who work in traditional, entry-level workforce development education and training with the County's major universities that focus on the advanced professional education of our region's mid- to senior-level workforce. A more comprehensive and integrated approach to the development of the workforce at all levels will be a strong advantage to L.A. County in its ability to use stimulus dollars and other funding resources to achieve long-term and significant changes in the preparation of a workforce able to compete and succeed in the century ahead.

Further evidence of the County's commitment to developing collaborative workforce developments solutions was the formation of the L.A. Workforce Funders Collaborative (LAWFC) in 2008. It is composed of philanthropic organizations that have co-invested in workforce development initiatives in the region to maximize efforts and resources in high growth industry sectors. The L.A. Workforce Systems Collaborative works very closely with the L.A. Workforce Funders Collaborative. The LAWSC recommended that LAWFC grantees be required to demonstrate collaboration among industry partners and to build single industry focus groups or intermediaries to maximize efforts and resources in high growth industry sectors driving the L.A. County economy.

The convening of these system partners across L.A. County has improved and increased communication among the stakeholders to partner, leverage resources and share best practices and develop strategies to integrate the various workforce development efforts within the region

Lead Demand Driven Industry Sector Initiatives

An outgrowth of the increased communication and collaboration among workforce development system organizations in L.A. County is the focus on identifying or creating Industry Sector Intermediaries. These organizations bring together employers and workers, public and private funding streams and relevant partners to create and implement pathways to career advancement and to improve opportunities for low-wage workers. Sector Intermediaries integrate a wide variety of resources, build partnerships with other providers, and focus on achieving agreed upon outcomes in high demand, high growth industries such as Utilities, Logistics, Construction, Health, Hospitality, Financial Services and Green Jobs.

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For example, in 2007, the LAEDC established the California Transportation & Logistics Institute (CaTLI) to serve as an intermediary to the Transportation and Logistics (T&L) sector. CaTLI is a collaborative partnership of the Transportation & Logistics Industry with the California Community College and California State University Systems to promote the growth of careers in the T&L Industry in California and address the need for skilled workers seeking living wage jobs.

CaTLI serves three primary customers - Transportation & Logistics Industry businesses looking for skilled workers; job-seekers and workers looking to advance their careers; and the colleges and universities working with the industry to develop logistics training and education programs. For example, CaTLI is currently working with five L.A. County community colleges facilitating the development of Industry Advisory Boards composed of local logistics businesses.

A final example of leading demand driven industry sector initiatives is the Verdugo WIB's focus on industries within their region that are the largest and most likely to grow in the near term - health care and entertainment industries. The Verdugo WIB is developing industry focus groups to gather current workforce intelligence on key local industries and to project the demand for various occupations when trainees begin looking for work.

Identify Local Green Job Opportunities and Train Worker for Green Careers

The South Bay WIB is currently working on ways to develop the Green workforce in its service area through:

- Systematic identification of green job training providers for listing on our I-TRAIN System for use by SBWIB and participating WIBs in the greater Los Angeles area;
- Consideration of a local set-aside of economic stimulus funds for customized training and other special projects that focus on skill development for work in energy efficiency, renewable energy, alternative fuels, advanced transportation, sustainable manufacturing, recycling, waste management, or water conservation.
- Worksite development for summer youth employment activities with a focus on conservation projects and others that promote preservation of environmental quality.
- Partnership development through California's GREEN Workforce Coalition to identify opportunities for project collaboration in growth areas pertaining to energy efficiency and alternative and renewable energies.

Expand Joint Use Facilities

Los Angeles County workforce development efforts have supported and promoted the co-location of WorkSource Centers within community college district and school district facilities. Under the co-location scenario, school districts and community colleges would become the presumptive deliverers of training to Workforce Investment Act (WIA) customers. Responsibility for case managing WIA customers to ensure their successful completion of training and subsequent placement in employment would then be entrusted to WorkSource Centers. These arrangements mutually benefit all parties beyond simply allowing partners the opportunity to integrate and streamline services to the community. School districts and community colleges would have a ready-made pipeline from which to register students and fill college and adult education classes, and a means of enhancing their career placement. For example, the City's Hollywood WorkSource/One-Stop Career Center is now located at L.A. City College as a single point of entry for the surrounding community to access a large network of workforce development services.

Connect Young People to Employment Opportunities and Career Possibilities

The nation's economic downturn has had the most devastating effect on our country's youth. Unemployment for young people is on the rise, and the numbers for minority youth are even more disconcerting. The rate of youth unemployment in the Los Angeles region is even more staggering. Studies

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show that more than 93,000 youth, 1 in 5 young people in the City of Los Angeles ages 16-24, are unemployed and not in school. The Los Angeles region is focused on year-round or summer jobs program that would allow many of these youth to connect with the world of work, gain valuable skills for future careers, and increase their chances today of earning more tomorrow.

In an effort to support early work experiences for youth, the L.A. Workforce Systems Collaborative developed a shared advocacy agenda to aggressively lobby and secure funding for the Summer Stimulus Act of 2007. These efforts were instrumental in the inclusion of \$1.2 Billion in Federal Stimulus Funds intended to create summer employment opportunities for youth. California will receive \$1.2 Billion of the funds. The City of Los Angeles's share is \$20 Million.

The Collaborative has also been instrumental in helping the City of Los Angeles reach its goal of 10,000 youth hired in 2007 – 2008 through HIRE LA's Youth, a program that targets young adults between the ages of 16 – 24 and places them in local public or private sector employment to obtain full and/or part-time work. The Collaborate will continue to help the City achieve a goal of 15,000 young adults hired in the 2008 – 2009 program year.

The Collaborative was also involved in the development of the L.A. City Scholars Program which will expand the capacity of the HIRE L.A. Youth Initiative. This program offered more than 300 young people a combination of paid work experience and college credit instruction that will eventually lead to their being placed in permanent jobs in the field of education.

Place 10,000 Unemployed Participants in Subsidized Positions by March 2010 Using TANF Funds

The Children & Families Well-Being Cluster (CFW) will use federal stimulus funds to plan and create subsidized employment opportunities for Los Angeles County residents and businesses. The funds will be directed to Community & Senior Services and Public Social Services (DPSS) who will use existing programs and mechanisms to expend the funds, rather than create structures that are non-sustainable beyond the 18-month stimulus period.

The goal of the project is to place 10,000 unemployed participants in subsidized positions from May 2009 through March 2010. It is envisioned that there will be two tracks of employment – one for CalWORKs/GAIN participants and another for those individuals who do not qualify for CalWORKs. Placement will be in the public, non-profit and private sectors. Target populations include:

- DPSS Job Club participants that leave without a job
- 700 clients currently on the Department Human Resources (DHR) and DPSS clerical lists
- 11,000 18 – 24 year olds on General relief
- Older workers/seniors
- At-risk youth
- Recently unemployed or displaced workers
- Residents of the gang strategy zones
- Department of Children and Family Services (DCFS) Prevention Initiative contractors and clients
- Homeless individuals

V. Tier Three: Support for Housing and Communities Impacted by the Mortgage and Financial Crises

Housing availability and supply to meet the diverse needs of the county population as a whole – especially among certain economic segments – is an issue of significant countywide importance. The County of Los Angeles Community Development Commission (CDC), which serves as the County's affordable housing and community development agency, addresses the need to provide housing opportunities to low income households, the homeless, and those in transitional living situations through a number of programs that

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present potential opportunities for federal stimulus grants or discretionary funds and that support (state and federal) efforts to avoid foreclosures and leverage community stabilization programs.

Neighborhood Stabilization Program (NSP): The CDC may apply for NSP competitive grant funding. CDC currently has a \$16.8 million NSP grant that they are administering from the passage of Housing and Economic Recovery ACT of 2008 (HERA). These funds were allocated by formula. CDC plans to apply for funding for the same (successful) programs that they are currently administering under NSP, which include a first-time buyer and housing rehabilitation program, as well as a rental program where relevant non-profit entities would compete through a Request for Proposal (RFP) process to acquire foreclosed properties to be rented to low-income households.

Community Development Block Grant (CDBG): CDBG funds have been used to provide affordable housing, services, and jobs for the most vulnerable residents of Los Angeles County. Generally, appropriations are allocated annually to the County by HUD, which determines the amount of each grant by using a formula based on several community need measures, including the extent of poverty, population growth, and overcrowded housing. ARRA allows for the additional allocation of \$1 Billion in CDBG funds in the same manner in which the FY 2008 funding was allocated; that is, based on the current formula which takes into account the demographics of the County unincorporated areas and that of the 47 participating cities as well.

Homelessness Prevention: ARRA will allocate approximately \$12 million to the County for homelessness prevention and aid to people who are already homeless. Accordingly, the use of these funds is expanded to include short-term rental assistance, housing relocation, and stabilization services for families. At least 60% percent of the funds must be spent within two (2) years, and all funding must be spent within three (3) years.

Assisted Housing Energy Retrofit: The Housing Authority of the County of Los Angeles (HACoLA) may apply for funding to renovate and retrofit aging project-based Section 8 (housing assistance to low-income renters/homeowners) units, as well as those needing energy efficiency and green investments.

Energy Efficiency Conservation Block Grant (EECBG): The CDC may apply for the EECBG funds if they are the County agency delegated to administer the funding. If the CDC is asked to administer the funding, the current successful CDBG practices will be used for planning, reporting, and monitoring of the any contracts awarded under EECBG.

Public Housing Capital Fund: HACoLA may be applying for a competitive Public Housing Capital Fund grant. The funds will be used for energy conservation retrofit investments. However, a notice from HUD has yet to be published regarding specific eligibility and use requirements. HUD has not indicated when the notice and guidelines for applications will be published.